PROPERTY
MANAGEMENT AGENCY

Property Management Agency
Business Plan
1998-1999

Yukon
Government Services

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Business Plan
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A Central Agency That Works 3
Who we are 3
Our Business Strategy 3
Our Business Plan Fiscal Year 1998/1999 3
Property Management Agency – Overview 4
Value 4
Critical Success Factors 4
Improving Access to Agency Services 5
Planning and Development 5
Facilities Management 5
Realty Services 6
Customer Options 6
Financial Framework and Management 7
Sponsorship of Buildings 7
Fee for Service 7
Separate Fund 8
Meaningful Accountability 8
Agency Operational Plan 9
Solidifying the Agency's Operations 9
Improving Customer Service 10
Improved Utilization of Government Property 10
Improved Management of Government Property 10
New Service Initiatives 10
Agency Financial Plan 12
Financial Statements 12
Detail Revenue Projections 13
Detail Realty Revenue 14
How Services Are Delivered 16
Delivery Structure 16
Agency FTE Analysis 16
Volume and Performance Measures 17
Customer Service 17
Fiscal Accountability 17
Facility Management Volume and Unit Costs Analysis 18

A Central Agency That Works

Who we are

The Property Management Agency is a Special Operating Agency of the Yukon Government and operates within the Department of Government Services. We have staff in virtually every Yukon community and manage our operations out of regional headquarters in Whitehorse, Dawson City, Watson Lake and Haines Junction.

We are involved in the planning, construction and operation of facilities for our customers. We manage the delivery of facilities planning, design, construction and leasing services to help our clients acquire appropriate and affordable facilities. On a day-to-day basis, we see that the maintenance, utilities, grounds maintenance, cleaning, and security services are delivered to buildings. Our operational goal is to ensure the ongoing comfort of the occupants of government facilities.

Our customers are Yukon government departments and other public agencies, which use public funds to acquire and operate facilities. In all we manage about 500 government leased and owned properties.

Our Business Strategy

The Agency is a key player for the Government to meet its social and economic goals, objectives and priorities. Our services (providing cost effective business solutions) have a major influence on the way our Government delivers services. We help government departments and agencies deliver front line services to the people of the Yukon. We provide services essential for managers to manage effectively and employees to be productive.

Being a resource means helping government departments and agencies achieve high performance for every service delivered. As a resource, the Agency has two basic principles: be responsive and be accountable. To be responsive, we act on the needs of our customers, reduce red tape and waste, keep costs manageable and listen to the needs of our customers. By listening to customers, we developed our strategic direction to help the Government conduct business more simply, work better, and be cost effective. To be accountable we will define our business objectives, measure results, and report outcomes.

The publication of this, our third annual Business Plan, continues our commitment to be publicly accountable for our performance and results.

Our Business Objectives - Fiscal Year 1998/1999

The capabilities necessary to plan, develop and maintain a wide variety of facilities throughout the Yukon are varied and complex. Having these multiple disciplines reside in one organization is the real foundation of the Agency. The ability to provide effective coordination of these disciplines is the key initiative that brings value to our customers, stakeholders and ultimately the taxpayer.

The results of our strategic planning process have defined 5 Business Objectives outlined below. Each objective is designed to address collectively our corporate direction, each objective relying on the other for overall success.

- Solidify the Agency's Operations – to improve our customer-centered approach in providing valued services to government program departments.
- Improve Our Service and Accountability to our Customer – to deliver the specific needs of our individual customers.
- Improve Utilization of Government Property – to ensure that all government owned or lease space is used effectively.
- Improve Management of Government Property – to deliver a safe, healthy and effective workplace for our customers and employees.
- Provide New Service Initiatives – to ensure that our services continually evolve to meet our clients' needs.

Property Management Agency – Overview

The Property Management Agency (PMA) was formally established as a Special Operating Agency (SOA) on April 1, 1996. The implementation of the PMA and other government service organizations as Special Operating Agencies is important in the Government's drive to re-focus programs on customer service, leadership, innovation and accountability. We publish annual business plans so that the Agency's direction is communicated through a common vision and explicit goals and objectives designed to meet our customers' needs.

Value

The Property Management Agency was formed on the basis of providing valued services to:

- **Our Customers** - Assisting our customers to meet their goals and objectives by procuring and managing facilities that will provide comfortable, appropriate and cost effective accommodation for their program activities.
- **Our Employees** - Focusing the front-line highly skilled staff and management on understanding and delivering valued service to the customer.
- **The Public** - Being publicly accountable for the right things, namely; performance and results, and the delivery of valued service.

The Agency has undertaken a number of initiatives to ensure that valued service is provided to these stakeholders and that the interest of each is balanced.

Critical Success Factors

The Property Management Agency defined three factors, which are critical to our success:

- **Customer Service** - Meeting the needs and expectations of all our customers, retaining current customers and acquiring new ones.
- **Fiscal Accountability** – Continually defining and improving operating and cost efficiencies.
- **Public Policy** - Making a difference to the government's economic and social agenda.

These items will continue to be used to measure the Agency's progress and overall success.

Improving Access to Agency Services

The Agency's service offerings are divided into three major categories:

- Planning and Development
- Facilities Management
- Realty Services

To discuss our service model, it is necessary to define two basic categories of facilities:

- Special purpose facilities, which are generally client sponsored buildings such as schools, institutions, grader stations etc.,
- Commercial facilities, which are generally offices and warehouses that are leased or owned by Government Services.

Planning and Development

Capital planning and development services are provided to help customers plan and acquire affordable and appropriate facilities for their program activities. Services include facilities planning and evaluation, functional programming, design, leasing and project management. A variety of procurement models are used for obtaining and financing facilities.

The PMA planning process delivers such services as building condition reports, commercial space planning, post-occupancy and post-project evaluations standardized contract documents and a collection of various benchmark and costing data to assist our customers.

Services are provided on a project-by-project basis, so that customers' objectives and requirements are fully understood for each project and that the scope and cost are adequately defined. An individual Property Management project manager is assigned responsibility for working directly with the project sponsor (the customer) on each project. Guidelines for defining process roles and responsibilities are contained in a "Building Development Guidelines" manual.

Funding for our project management staff is provided by a Property Management Agency capital program, so internal customers do not pay for these services. Planning, design, and construction services are purchased from the private sector. Customers pay for all purchased services on a "bill-back" basis. Bill-back works as follows: when the scope and cost of a project have been agreed upon, the customer authorizes Property Management to spend their funds, through a transfer authorization. All of the tendering, contracting, administration and accounting activities are managed within Property Management. Money paid out on contracts is recovered from the customer on a monthly basis.

Facilities Management

The business of facilities management is to deliver comprehensive operational and maintenance support for government facilities. We ensure that our customers are provided with a comfortable environment while taking into account the need for day-to-day reliability as well as long term viability of the building asset.

Facilities Management services are provided under written facilities management agreements or under the terms of leases arranged through Realty Services.

Facilities Management agreements establish the fundamental business relationship between the Agency and its clients. These agreements ensures the foundation for a consistent, basic level of service while allowing sufficient flexibility to adapt to the unique and special needs of individual client operations and programs, as well as, physical differences in facilities, location and environmental factors. Services are usually divided into the following categories: maintenance, utilities, custodial, security, and grounds maintenance.

Clients benefit from a structured agreement because it provides a focus for a specified level of service that will ensure the continued performance and utility of a client's facilities. Clients benefit from knowing that they are afforded:

- The ability to focus on program delivery and not on the day to day operations of facilities;
- The services of professional facility managers and technical support without having to employ their own resources;
- A specified and consistent level, standard and quality of service upon which they can depend;
- The knowledge that the operating and maintenance costs will remain at a constant level for the budget period, thus allowing clients to manage their overall budget expenditures more effectively;
- The opportunity for clients to become more actively involved in the decision making process in respect to the management and operation of their buildings;
- The flexibility to adapt the level of service suited to the changing circumstances of their operations and programs.

Facilities Management services for special purpose facilities are paid for by the customer under a fee for service agreement. The value of the services provided to the customer by the Agency equals the actual costs (no profit factor added) of providing those services. The fee is agreed to and fixed at the time the agreement is established, and paid in advance to Property Management periodically, normally as a quarterly payment. The rationale of the fixed fee is discussed further in the discussion of our financial framework. The basis for negotiating fees is discussed in the Financial Framework and Management sections of this document.

Facilities Management services for commercial leased facilities are funded primarily by a Government Service's operating and maintenance program. The Agency has not yet established "customer tenant" rent costs for these facilities in order to reflect the customer's real cost of leased facilities.

Once the facilities management agreement or lease is in place, any occupant of the building can deal with day-to-day issues covered by the agreement through the Property Management Action Desk.

Realty Services

Realty Services allocates office and commercial space to Yukon government departments from the Yukon government's inventory of owned and leased commercial space. Services offered encompass administering leases and managing the government's overall investment in commercial space. Through this activity, Property Management effectively acts as the "owner-landlord" for Government Services owned space.

Yukon government departments access Realty Services when they have a need for changes to their office space. Other agencies use this service when they want access to Yukon government owned property. The Agency determines the best course of action in the context of the government's overall strategy for managing commercial space and then initiates the necessary action within the Agency to see that the customer's needs are met.

If the decision involves the customer occupying Government Services' owned space, future space arrangements with Property Management will be defined in the form of a lease. Customer agencies will pay for services according to the terms of the lease. Currently, such relationships are not defined in writing. Services to many outside agencies and to Yukon government departments are often subsidized by funding provided by the Department of Government Services.

Customer Options

Yukon government departments are required by Management Board Directives to use Property Management's services when they require development, maintenance, or realty services. Client departments may choose to ask Management Board for authority to set up their own internal property procurement and management activities. Other facilities management services such as utilities, custodial and security may be acquired by Property Management or directly by the customer department.

Financial Framework and Management

The financial framework for the Property Management Agency was defined in its Charter and Bill 32 to amend the Financial Administration Act. It is designed to meet the following objectives:

- To give the Agency's managers the tools to make resource allocation decisions based on a rational financial model;
- To enable the Agency's customers to make resource allocation decisions that take into account the full cost impact of those decisions;
- To enhance the accountability of the Agency by providing disclosure of financial performance which customers can use and which can be debated in the legislature.

The Agency's financial framework incorporates the following:

- Fee for service
- A separate fund
- Accountability

Sponsorship of Buildings

Assigning custodian responsibility of buildings to departments is a necessary element of the financial framework. Custodianship of facilities within the Yukon government has been assigned to departments in the following categories:

- **Special purpose buildings**, such as schools, health facilities, etc. will be under custodianship of the program department. The role of the Property Management Agency is to manage development, operation, and maintenance of properties on behalf of the owner. Funding for construction, upgrading, and operations and maintenance is the responsibility of the sponsoring department or agency. Capital funding for these activities will not flow through the separate fund.
- **Commercial buildings**, such as office buildings and warehouses will be owned or leased by Government Services. Buildings of this nature are often shared between departments, but are included in this category even though only one program department or agency may currently occupy them. Funding for construction, upgrading, and operations and maintenance are usually the responsibility of the Property Management Agency.

Fee for Service

The Agency provides operational services on a fee for service basis, so that the customer is responsible for obtaining funding for the services that it contracts for in the facility management agreement. This ensures that the customer agency is always accountable for the volume of services used, while the Property Management Agency is accountable for the price and delivery of those services.

Operating and maintenance services for customer sponsored buildings is provided on the basis of written facilities management agreement, the terms of which will be negotiable within the context of the normal business activities of the Agency. Fixed fees are negotiated in advance and are based on the anticipated costs of delivering the agreed upon package of services.

Fees for services are negotiated in advance and are fixed, based on the services to be delivered. Under a fee for service arrangement, the customer knows their costs in advance, and the responsibility for delivering the agreed upon service is clearly delineated.

Payment for operating and maintenance services provided to customers in commercial owned buildings is governed by the terms of the lease. Where no written lease exists, or where the lease does not include provisions for payment of full costs, operations will be funded by the Department of Government Services for the 1998-99 fiscal year.

Capital development and capital maintenance services will continue to be delivered on a "bill back" basis, with the cost of managing the projects being funded by Government Services. Under this model, the building sponsor funds the direct cost of services purchased from the private sector.

Separate Fund

The Agency operates a separate revolving fund established under the FAA. The entire Agency's operating and maintenance revenue is recorded in the fund, and the entire Agency's operating and maintenance expenditures are paid from the fund.

Revenues include:

- Fees paid for services by all customers, whether they are government departments or other agencies, including departments and agencies of other governments.
- Proceeds from the disposal of assets where the original acquisition cost of the assets is paid from the fund.
- Transfers from the government consolidated fund.

Expenditures paid from the revolving fund may include:

- Wages and benefits of the Agency's employees.
- Goods and services purchased for the Agency's operations.
- Capital assets purchased for the Agency's operations (ie equipment, office furniture and whatever other freedoms the current legislation permits).

The fund provides the Agency's managers with the financial resources required to produce results expected by the customers.

The separate fund:

- Provides authority to spend all revenues for the purpose of delivering the services. It avoids the necessity to formally increase the budget every time there is an increase in expenditures.
- Removes the constraints created by lapsing votes. This gives managers the incentives of benefiting from savings achieved by reducing costs. PMA revolving fund includes any operating surpluses accumulated for use in the next fiscal year. Successful cost reduction efforts will be reflected in lower fees in subsequent years.
- Increases the manager's ability to schedule and reschedule work rationally, and not be constrained by budget deadlines
- Provides a cushion to account for short-term anomalies in costs, which are inherent characteristic of maintenance costs, through the cost carry over feature of a separate fund. Maintenance is scheduled when it is needed instead of when the money happens to be available. Savings are used either for later maintenance work, or to reduce future fees.

Meaningful Accountability

The Agency's financial projections and results are reported in the Agency's business plan and annual report. These plans and reports are distributed to the legislature/public as a means of focusing debate on the Agency's operating objectives and results.

Agency Operational Plan

The Property Management Agency was established as an SOA so that it could facilitate a different way of doing business. It moved away from being a Departmental Branch that controlled and rationed limited facilities management resources and services to an Agency that services customer needs, delivers customer satisfaction, and wins new customers. The re-organization completed in fiscal 1995/96 and 1996/97 established the Agency's internal business organization, its methods and procedures. The way the Agency interacts with its customers at a business and operational level has evolved through the application of sound business principles to meet customers needs.

The Integrated Building Information System project was started in 1995 when the decision was made to switch the Agency to a revenue dependent, customer focused business model. It was recognized that both the Agency and its customers needed a lot more information about buildings ar. . buildings costs, in order to manage their responsibilities effectively. The Agency is working towards meeting this goal, but fell short in meeting client expectation in fiscal year 1997/98. We will continue to improve our delivery of information to our clients.

The Agency's efforts to date, have produced:

- The ability to produce periodic accounting reports with comprehensive costing information about individual buildings;
- A new work request and project tracking system that enables the Agency managers and customers to track progress, in real time, on all work items that the agency handles;
- A system to enable the Agency to track the condition of buildings and prepare budget recommendations;
- A tool, in the form of a web site, that enables the Agency's staff and customers access to all available information about their buildings.

The preparation of this Business Plan, the third since the Agency was established, continues the change process. Internally, the Plan represents the commitment of the Agency's management and staff to its customers. To our customers, it highlights expectations and defines our working relationship. The following strategies will focus on meeting customers' needs.

This plan is also in support of government's priorities and commitments in the following activities.

- Completing land claims and devolution
- Creating employment and economics opportunities
- Fostering healthy communities
- Respecting our environment
- Building trust in government

Solidifying the Agency's Operations

In order for the Agency to meet its obligations described in the charter, the Agency needs to improve on its customer-centered approach in providing services. The key elements that will be undertaken over the next year are:

- Enhance our business approach
- Develop corporate standards/guidelines
- Educate our clients about the services of PMA

- Improve/update agreements with clients (i.e. Facilities Management Agreement and Realty Tenant Agreement)
- Improve/update internal administrative processes
- Provide customer service training for PMA staff

Improving Our Service and Accountability to Our Customers

No business can operate effectively without comprehensive and meaningful information on the customers it serves. To be effective we must support the specific needs of our individual customers, and to do this, the Agency must have a clear picture of its customers and their business priorities. Therefore, the key elements which will be undertaken over the next year, for this strategy include

- Improve performance measures/benchmarking
- Develop/implement communications plan
- Develop/implement activity based costing of facilities to improve performance
- Building partnerships with service providers

Improved Utilization of Government Property

The Agency will provide leadership in developing quality work environments for our customers. This strategy will enhance decision-making information for our customers and promote the effective use of buildings and space across government. In fiscal year 1998/1999 we will continue with the following activities:

- Improved utilization of accommodations within facilities
- Develop quality work environments
- Work with clients & others on immediate & long term space requirements
- Redefine usage/reallocation, consolidate space for clients

Improved Management of Government Property

Although we can design and maintain efficient buildings, we depend on our customers to help make the efficiencies work. We will continue to work with our clients, exploring new ideas, technology, and innovations in an effort to provide the most efficient work environment possible. We will continue the following initiatives in fiscal 1998/1999:

- Review Agency's property portfolio & assets
- Continue identifying ways to extend building life expectancy
- Implement appropriate maintenance programs
- Continue facility condition assessments
- Implement various environmental & energy programs
- Improve/enhance & share technical skills

New Service Initiatives

To ensure that our services continually meet our client needs we will work with our customers to identify and define new or modified services. The Agency will continue to identify and develop other opportunities to do business with new clients. The economies of scale achieved will result in further unit cost reductions and lower service cost rates for customers. The Agency will continue to work in partnership on the following initiatives:

- Establish PMA vendor list of locally based suppliers
- Continue to identify new customers internally/externally
- Continue to meet with customers to identify/define new & modified services
- Establish post project evaluations
- Establish facility value added assessments

Agency Financial Plan

Financial Statements

The summary financial statement below depicts the sources of revenue for the Agency and the manner in which the funds received are spent. As stipulated in the Property Management Agency Charter, services to special purpose client sponsored buildings is billed to customers on a fee for service basis under the terms of facilities management service agreements. Services to commercial facilities owned by Government Services are funded by the Department of Government Services. Future years' revenue from commercial facilities may be received on a fee for service basis, subject to Management Board approval.

All costs of delivering facility management services are shown as expenditures in the summary financial statements. These include services delivered to all government space regardless of which department "sponsors" it. However the cost of space leased is shown separately. Capital revenue and expenditures are also included to illustrate the volume of work the Agency is responsible for.

Planned Revenues and Expenditures O&M and Capital (Thousands of Dollars)	1998-99 Forecast	1997-98 Forecast	1996-97 Actuals
Revenues			
Facilities Management Services:			
Internal Service Agreements	9,037	8,617	8,249
External Service Agreements	193	627	590
Property Management Equipment (DGS Capital Vote)	50	50	50
Realty Services			
Revenue Leases	677	735	742
Common Facilities (DGS Capital Vote)	60	160	60
Energy Conservation Retrofits (DGS Capital Vote)	300	135	29
Capital Maintenance & Upgrades (DGS Capital Vote)	250	472	805
Commercial Space (DGS O&M Vote)	11,260	10,824	10,959
Development Services:			
Building Development Overhead (DGS Capital Vote)	1,545	1,500	1,431
Pre-Engineering (DGS Capital Vote)	50	50	18
Old Crow Road (DGS Capital Vote)		990	
Client "bill-back" projects (Capital)	10,500	11,000	11,867
Project & Development Services (Other)			360
Total Revenues	33,922	35,160	35,159
Expenditures			
Facilities Management Services:			
Utilities	2,666	2,614	2,562
Custodial	4,619	5,164	4,889
Security	495	661	514
Grounds	669	672	629
Maintenance	4,869	4,920	5,091
Facilities Management	2,380	2,301	2,329
Property Management Equipment (DGS Capital Vote)	50	50	50
Realty Services:			
Commercial Leases	5,469	4,582	4,404
Common Facilities (DGS Capital Vote)	60	160	60
Energy Conservation Retrofits (DGS Capital Vote)	300	135	29
Capital Maintenance & Upgrades (DGS Capital Vote)	250	472	805
Development Services:			
Building Development Overhead (DGS Capital Vote)	1,545	1,500	1,431
Pre-Engineering (DGS Capital Vote)	50	50	18
Client "bill-back" projects (Capital)	10,500	11,000	11,867
Old Crow Road (DGS Capital Vote)		990	
Project & Development Services (Other)			372
Total Expenditures	33,922	35,270	35,049
Excess (Deficiency) of Revenues over Expenditures	0	(110)	110

Figure 1 - Summary Financial Statement

Projections for 1999/00 and 2000/01 are estimated to be similar to the 1998/99 forecast.

Detail Revenue Projections

This table shows what services each department and Agency is expected to buy from Property Management in 1998-99. Detailed lists of buildings that have been distributed to the departments support these numbers

FACILITY MANAGEMENT SERVICES	UTILITIES	CUSTODIAL	GROUNDS	SECURITY	MAINTENANCE	TOTAL
FACILITIES MANAGEMENT AGREEMENT (FMA - O&M)						
Government Departments						
Community & Transp. Services	4,504	153,978	25,000	8,280	847,386	1,039,148
Education	81,854	3,595,203	250,000	74,000	2,655,825	6,656,882
Health & Social Services	34,080	12,900	12,550	5,226	744,559	809,315
Justice	0	0	0	0	165,272	165,272
Renewable Resources	0	4,162	0	2,484	66,315	72,961
Tourism	75,178	67,110	21,800	7,350	122,393	293,831
Government Departments	**195,616**	**3,833,353**	**309,350**	**97,340**	**4,601,750**	**9,037,409**
Other Agencies						
Fleet Vehicle Agency					30,000	30,000
Workers' Compensation Board	65,000	24,950	7,000	1,500	14,000	112,450
Yukon Liquor Corporation	0	0	3,700	0	46,391	50,091
Other Agencies	**65,000**	**24,950**	**10,700**	**1,500**	**90,391**	**192,541**
Total - FMA (O&M)	**260,616**	**3,858,303**	**320,050**	**98,840**	**4,692,141**	**9,229,950**
REALTY SERVICES (O&M)	See details in figure 3 - Realty Services Revenue Details					
Commercial Space (Funding from DGS)						11,260,000
Government Departments (Leases)						274,029
Other Agencies (Leases)						403,466
O & M TOTALS	**260,616**	**3,858,303**	**320,050**	**98,840**	**4,692,141**	**21,167,445**
CAPITAL						
Building Development Overhead						**1,545,000**
Pre-Engineering						**50,000**
Common Facilities						**60,000**
Energy Conservation Retrofits						**300,000**
Capital Maintenance & Upgrades						**250,000**
Property Management Equipment						**50,000**
Client "Bill-Back"Projects						**10,500,000**
TOTAL PMA Volume of Work						**33,922,445**

Figure 2 – Revenue Projection

Detail Realty Revenue

The Agency manages all Government Services owned space. The following tables details how much space exist, who occupies it, what it costs to run and how much of the cost is paid by the occupant. The portion that is not funded by the occupants is funded by the Department of Government Services for the fiscal year 1998-1999.

Realty Services Revenue	Sq Ft Occupied	Cost of Space	Funded by Occupant	Funded by O&M Vote Gov't Service
Government Services				
GS - Common	95,348	972,630	0	972,630
GS - Surplus	60,644	26,644	600	26,044
GS - Occupied	99,553	1,086,184	857	1,085,327
Government Departments				
C&TS	56,061	781,924	0	781,924
Economic Development	15,820	404,015	125,080	278,935
Education	68,144	1,174,240	0	1,174,240
Executive Council Office	33,959	581,607	47,219	534,388
Finance	11,511	129,066	0	129,066
Health & Social Services	67,155	1,543,339	12,930	1,530,409
Justice	117,807	1,300,054	34,190	1,265,864
Public Service Commission	16,090	229,775	0	229,775
Renewable Resources	42,016	821,955	54,610	767,345
Tourism	15,265	205,094	0	205,094
Women's Directorate	1,500	16,819	0	16,819
Yukon Legislative Assembly	11,492	128,853	0	128,853
Gov't Crowns and Agencies				
Yukon Arts Center	38,750	201,501	0	201,501
Yukon College	298,767	1,607,023	44,238	1,562,785
Yukon Housing Corporation	857	10,174	26,849	-16,675
Yukon Liquor Corporation	7,688	46,278	129,277	-82,999
Other Organizations (Details on Figure 4)	83,342	647,160	140,194	506,965
Other Government				
Canada Post Corporation	1,887	9,277	39,716	-30,439
Village of Haines Junction	1,924	13,489	19,667	-6,178
Commercial				
CIBC	104	511	2,184	-1,673
Total	1,145,685	11,937,612	677,611	11,260,000

Figure 3 - Detail Realty Revenue

Figure 4 - Detail of Other Organization Realty Revenue – Referenced from figure 3.

Realty Services Revenue Detail of Other Organizations	Sq Ft Occupied	Cost of Space	Funded by Occupant	Funded by O&M Vote Gov't Service
Other Organizations				
Carcross Youth Centre	2,400	0	0	0
Carcross/Tagish First Nation	1,420	8,200	8,200	0
Child Development Center	13,400	285,633	60,001	225,632
Dawson Museum Society	14,000	112,508	0	112,508
Klondike Visitor Association	1,433	16,816	17,196	-380
Klondike National Historical Society	1,900	22,296	0	22,296
Legal Aid Society	409	4,333	0	4,333
Native Court Workers	1,466	15,532	0	15,532
Native Language Centre	6,566	34,942	0	34,942
Playcare Centre Society	5,000	2,117	0	2,117
Polarettes Gym Club	5,000	0	5,001	-5,001
River Rental	18	600	600	0
Ross River Dena Council	26,041	86,266	0	86,266
TIA	1,420	6,848	7,100	-252
Whitehorse Chamber of Commerce	679	12,228	8,365	3,863
Ducks Unlimited	369	6,645	5,796	849
Ecumenical Counseling	207	3,728	2,376	1,352
Girl Guides of Canada	337	6,069	6,084	-15
Law Society	298	5,367	4,920	447
Northern Fibers Guild	219	3,944	3,276	668
Society of Yukon Artists	200	3,602	3,384	218
Yukon Agricultural Association	262	4,718	4,391	327
Yukon International Storytelling	298	5,367	4,104	1,263
Total	83,342	647,759	140,794	506,965

How Services Are Delivered

Property Management services are delivered to our customers by integrated multi-disciplinary teams. Facilities Management, Regional Services, Leasing, Planning and Project Management service units deliver services directly to customers. Technical and Administration units provide services to customers and the other service units.

Delivery Structure

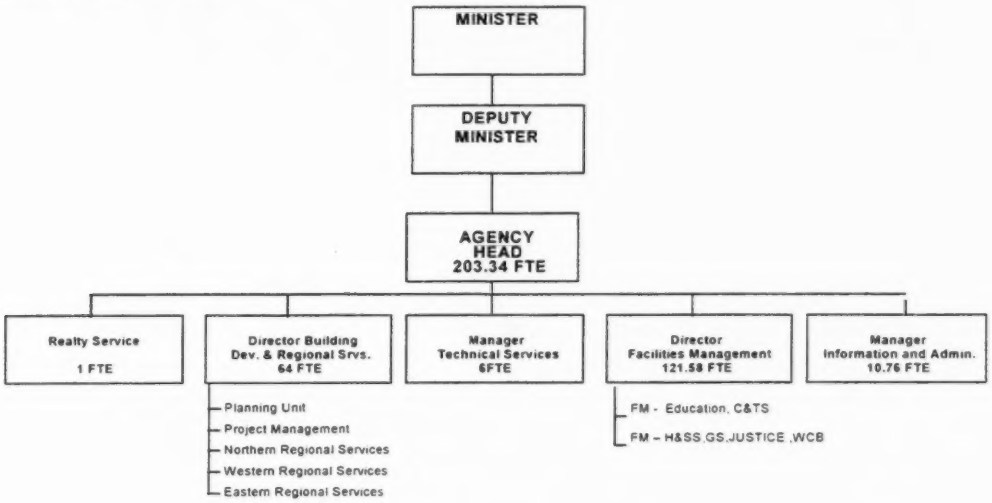

Figure 5 – Organizational Chart

Agency FTE Analysis

Community	1998 / 99 FTE's	%	1997 / 98 FTE's	%	1996 / 97 FTE's	%
Beaver Creek	0.42	0.2%	0.42	0.2%	0.42	0.2%
Carcross	1.10	0.5%	1.10	0.5%	1.10	0.5%
Carmacks	1.37	0.7%	1.37	0.6%	2.37	1.1%
Dawson	10.02	4.9%	10.02	4.7%	10.02	4.8%
Destruction Bay	0.42	0.2%	0.42	0.2%	0.42	0.2%
Faro	3.28	1.6%	4.03	1.9%	4.03	1.9%
Haines Junction	6.21	3.1%	6.21	2.9%	6.21	3.0%
Mayo	2.38	1.2%	2.38	1.1%	2.38	1.1%
Old Crow	3.00	1.5%	5.49	2.6%	5.49	2.6%
Pelly Crossing	1.53	0.8%	1.53	0.7%	1.53	0.7%
Ross River	1.10	0.5%	1.10	0.5%	1.10	0.5%
Teslin	2.10	1.0%	2.10	1.0%	2.10	1.0%
Watson Lake	10.42	5.1%	10.42	4.9%	10.40	5.0%
Whitehorse	159.99	78.7%	167.39	78.2%	162.08	77.3%
Total	**203.34**	**100.0%**	**213.98**	**100.0%**	**209.65**	**100.0%**

The decrease of 10.64 FTE's for the 1998/99 fiscal year is due to vacant positions that will not be filled due to reduction in internal FMA agreements.

Figure 6 – FTE Analysis

Volume and Performance Measures

Property Management Agency defines its areas of focus (and develops performance indicators to measure its success in) as:

- customer service
- fiscal accountability
- public policy

Considerable resources and time are required to develop and maintain quantifiable performance indicators. Property Management has concentrated most of its efforts on unit costing. Over the past three years, the Agency has developed information systems that enable it to charge customers at cost for each service to each building. The responsibility for funding services has moved to the customer agencies, and their ultimate performance indicator is value for money.

To measure these efforts, the Agency has identified a number of performance criteria and benchmarks. We are continuing to refine these performance measures in an on-going effort to improve our performance. Some of the key performance criteria are:

- Work order response time.
- Utility cost per square foot.
- Lease type, term and cost.
- Maintenance cost annually per square foot.

Customer Service

It is very difficult to derive an objective measure of "customer satisfaction". The Agency has completed a number of strategic initiatives related to customer service. It has reviewed and altered its internal organization, held customer focus groups, and trained its entire staff in customer service. It will continue to make changes as feedback is received from our customers.

We will continue to actively pursue new customers and provide new and additional services to current clients. We will closely monitor the volume of our business with the new information systems and tracking systems that have been installed for this purpose. Our ability to deliver a greater volume of services at the current service level without increasing staff will be one measure of our continuing effectiveness. The addition of new customers and the increase in service quality will constitute an expression of confidence in our ability to deliver.

Through the use of customers' surveys, we can evaluate our efforts in achieving our common goal.

Fiscal Accountability

We have increased our ability to prepare detailed budgets and effectively track our revenues and expenditures. In addition to the standard corporate accounting systems, we have implemented an Integrated Building Information System (IBIS). IBIS allows us to produce activity based costing to effectively manage our operations, prepare meaningful financial statements and report on our performance to our customers. The information captured in the IBIS and financial management systems permits us to react quickly to correct problems and to predict situations that will require management attention.

At an operational level, we have implemented new budgeting and management reporting procedures. These procedures foster senior management accountability and provide managers with the information to gauge performance in the context of the Agency's overall operation.

Facility Management Volume and Unit Costs Analysis

In broad terms, the table illustrates that the volume of services being provided by Property Management is increasing substantially. Most of the increases in total dollars spent are due to volume increases, rather than price increases. The following notes explain variations in the numbers.

	1998-1999 Forecast			1997-1998 Forecast			1996-1997 Actual		
	Sq Ft Gross Area	Cost	Cost Sq Ft	Sq Ft Gross Area	Cost	Cost Sq Ft	Sq Ft Gross Area	Cost	Cost Sq Ft
Utilities	1,132,309	2,666,073	2.35	1,132,309	2,614,065	2.31	1,132,309	2,562,300	2.26
Custodial	2,004,960	4,619,400	2.30	2,004,960	5,163,787	2.58	2,004,960	4,889,500	2.44
Security	1,668,698	495,200	0.30	1,630,919	660,605	0.41	1,630,919	513,600	0.31
Grounds	2,335,771	669,072	0.29	2,335,771	671,684	0.29	2,335,771	629,500	0.27
Commercial Leases	278,840	5,469,400	19.61	254,738	4,581,601	17.99	253,454	4,403,600	17.37
Maintenance	3,242,921	4,868,800	1.50	3,222,278	4,920,261	1.53	3,222,278	5,091,100	1.58
Facilities Management	3,242,921	2,379,500	0.73	3,222,278	2,301,000	0.71	3,222,278	2,328,600	0.72
		21,167,445			20,913,003			20,418,200	
Services (Misc. & Other)								371,800	
Total O & M		21,167,445			20,913,003			20,790,000	

Utilities: With the continuation of the Agency's energy conservation program we expect to minimize the anticipated utilities rate increases.

Custodial: The decrease in cost reflects the fact that we are reducing FTE's to meet our client request for cost savings this fiscal year.

Security: The decrease in cost reflects the fact that we are reducing level of service to meet our client request for cost savings this fiscal year.

Grounds: Client departments have requested increased service levels in fiscal 1997/98. With service levels being maintained at the same level as 1997/98 unit price is not affected for 1998/99.

Commercial Space: Increased negotiated lease and operating cost has increased the unit costs.

Maintenance: The Agency has historically been responsible for maintaining all government buildings, so only changes in volume occur when new buildings are constructed or acquired. The decrease in unit price reflects the fact that we are reducing service level to meet our client request for cost savings.

Facilities Management / Administration: Increase in the volume of facilities managed has maintained the unit cost for providing this service.